

# MINUTES OF MEETING OF STATE BUILDING COMMISSION

## EXECUTIVE SUB-COMMITTEE

JANUARY 22, 2002

The State Building Commission Executive Sub-committee met this day in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee, at 2:00 p.m., with the following State Building Commission Sub-committee members and departments present.

### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Steve Adams, State Treasurer  
John Morgan, Comptroller of the Treasury  
Riley Darnell, Secretary of State

### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

C. Warren Neel, Commissioner, Department of Finance and Administration

### OTHERS PRESENT

Michael A. Fitts, State Architect  
Georgia Martin, Department of Finance and Administration  
Larry Kirk, Department of Finance and Administration  
Charles Garrett, Department of Finance and Administration  
Gloria Rittenberry, Department of Finance and Administration  
Jurgen Bailey, Department of Finance and Administration  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Debbie Dunn, Department of Children's Services  
Jan Sylvis, Department of Finance and Administration  
Mike Gaines, Department of Environment and Conservation  
Phyllis Bennett, Department of Environment and Conservation  
Pat Haas, Bond Finance  
Russ Deaton, THEC  
Reggie Reeves, Department of Environment and Conservation

Kim Kirk, Department of Environment and Conservation  
George Brummett, Department of Finance and Administration  
Kevin Roper, University of Memphis  
John Cothorn, University of Memphis  
Jerry Preston, Tennessee Board of Regents  
Bob Adams, Austin Peay State University  
John Gregory, Tennessee Wildlife Resources Agency  
Duane Hawkins, Department of Finance and Administration  
David Gregory, Tennessee Board of Regents  
Martha Staley, Department of Finance and Administration  
Paul Evan Davis, Department of Environment and Conservation  
Leonard Burton, Department of Children's Services  
Bob Bumbalough, Department of Human Services  
Carolyn Murphy, Department of Human Services  
Jacquelyn Baker, Board of Probation & Paroles  
Karen Hale, Comptroller's Office  
Bob King, Department of Finance and Administration

Comptroller Morgan called the meeting to order at 2:06 p.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Mr. Fitts presented a request for approval of a project and acknowledgment of the source of funding for **Demolition of Foust House and Garage** located at 319 Home Avenue on the Austin Peay State University campus in Clarksville, Tennessee. He stated that this property is listed on the National Register of Historic Places and the University had received a federal grant from the National Park Service (NPS) for \$40,000 to reroof and somewhat stabilize the building. Jerry Preston stated that the University is willing to reimburse the NPS the grant money, if necessary, in order to demolish the building. Mr. Fitts stated that the Tennessee Historical Commission (THC) has forwarded Austin Peay's request for removal of the property from the National Historic Register to the NPS but have not received a reply. Mr. Fitts distributed to the members a copy of the letter dated December 5, 2001 from the Tennessee Historical Commission with their summary of TBR's request as well as THC's position. Mr. Fitts recommended approval contingent upon clarification by the NPS of the requirements they impose with regard to the removal of the building and acceptance by the THC. After discussion, the Subcommittee approved Mr. Fitts' request.

**Estimated Project Cost:       \$45,000.00**  
*SBC Project No.               166/003-01-02*

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL TO AMEND THE ENHANCED – USE LEASE AGREEMENT and REVISE THE MEMORANDUM OF AGREEMENT, for the following real property:

Description: Washington County – Building on the VA Campus, Johnson City, TN – Trans. No. 01-05-010 (DR)

Purpose:

- 1) Amend present lease for the addition of the Carnegie Library (Bldg 17) containing 5,380 square feet.
- 2.) Building 34 – Change in square feet by a reduction of 3,350 square feet.
- 3.) Consolidation of the existing lease, No. 621ENG-99-2, in the Memorial Theatre (Bldg. 35) into the Enhanced-Use Lease for a total of 11,782 square feet and terminate the existing lease
- 4.) Revise Memorandum of Agreement to renovate Building No. 2 for the College of Medicine/Family Practice Division

Owner: U.S. Department of Veteran's Affairs

SSC Report: 06-18-01. Jerry Preston requested deferral of the transaction pending further review and analysis.

SSC Report: 07-16-01. Jerry Preston requested the transaction be deferred.

SSC Report: 01-14-02. Jerry Preston summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-22-02. Approved the transaction as requested. Final action.

## TENNESSEE BOARD OF REGENTS

### DISCUSSION ITEM

Discussion regarding an Application for Title of the North Shelby Center, Naval Hospital land and facilities, from the Federal government.

SSC Report: 01-14-02. Jerry Preston brought this forward from the floor for discussion. He stated the idea is to take the opportunity to make application for title to the property as a multi-use facility between the University of Memphis, Southwest Tennessee Community College, and the Tennessee Technology Center at Memphis. He stated the reason for considering this strategy is because of the timing of disposal of this property by the federal government. He further stated that if the facility is not accepted by the TBR in the near future, then the opportunity to obtain this facility may be lost.

Staff asked if there is any commitment at this time to accept the property and Mr. Preston stated there is none. Staff stated that it is a good idea to inform the policy makers before making application. Staff referred to Sub-Committee subject to concurrence by the Commissioner of Finance and Administration.

SC Action: 01-22-02. Jerry Preston submitted an Information Paper regarding the proposed project. Discussion ensued and Sub-committee raised several concerns such as funding issues, commitment to complete the project if application is approved, need for expansion of teaching sites, and other concerns. Secretary Darnell asked if the State could honestly tell the Federal government that the project would be completed under the current conditions. Jerry Preston stated that approval contingencies would be in the application and that the project was brought forward only for discussion and informational purposes. Sub-committee stated it doesn't want it said that Sub-Committee approved anything at this point. Mr. Preston stated he would take the information from this discussion for further review

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112.

Description: Maury County – 3.0 +/- Acres – Duck River WMA - Trans. No. 01-12-010 (CH)

Purpose: Disposal by Lease of State land beneath six (6) sites for billboard advertisement.

Term: Five (5) Years

Consideration: Pending Appraisal

Lessee: Charles Stofel

Comment: The billboards were established prior to the State acquiring the property from TVA. Mr. Charles Stofel owns the billboard structures and agency determined the lease would have not impact the State's property.

SSC Report: 01-14-02. John Gregory, agency representative, summarized the transaction. Mr. Gregory stated the billboards were on the land when TVA purchased the property and since coming into State ownership the agency desires to lease the land beneath the billboards to Mr. Stofel at fair market value determined by appraisal.

Staff asked if there were any guidelines as to what can be advertised on billboards that are on State property. Staff stated that the agreement should contain the right of the State to approve what is advertised on the billboards. Staff referred to Sub-Committee for discussion.

SC Action: 01-22-02. Charles Garrett summarized the transaction. Larry Kirk stated that in discussion with Commissioner Neel it was recommended that the billboards be removed. John Gregory, agency representative, stated Mr. Stofel offered \$200 per year/per billboard. Sub-Committee stated that based on the recommendation of Commissioner Neel the billboards need to be removed. Final Action.

**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

**ROSS CREEK LANDING STATE PARK, CLIFTON, TENNESSEE**

- 1) Discussion of the Ross Creek Landing project was deferred.

*SBC Project No. 126/123-01-99*

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Davidson & Wilson Counties – 25.0 +/- Acres – Couchville Cedar Glades State Natural Area – Trans. No. 01-12-007 (GM)

Purpose: Acquisition in Fee of property adjoining the State Natural Area for protection of the Federal and State endangered coneflower.

Source of Funding: State Lands Acquisition Fund - \$70,250.00  
U.S. Fish & Wildlife Services - \$159,750.00

Estimated Cost: \$230,000.00

Estimated Title,  
Appraisal and  
Survey Fees: Pending Bid

Owner(s): James Beck, et ux

SSC Report: 01-14-02. Reggie Reeves, agency representative, summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 01-22-02. Sub-Committee approved the transaction as requested. Final Action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE, with WAIVER of APPRAISALS, of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description: **Franklin County – Fairview Devil's Step Campground – Trans. No. 01-12-009 (GM)**

Purpose: Disposal by Lease to auction 30 seasonal campsites and to enter into campsite rental agreements each year pursuant to the agency's Departmental Policy

Term: April to October – Camping Season

Consideration: Pending Successful Bid at Auction

Lessee: Successful Bidder

Comment: Previous Sub-Committee action of February 21, 2001, approved a public auction of seasonal campsites.

SSC Report: 01-14-02. Kim Kirk, agency representative, summarized the transaction. Ms. Kirk stated that the previous approval of a public auction worked out very well and the agency requests approval of the Departmental policy and Rental Agreement. Ms. Kirk further requested approval to annually auction seasonal campsites based on the Departmental policy and Rental Agreement. Staff referred to Sub-Committee with recommendation that the policy and agreement be approved.

SC Action: 01-22-02. Charles Garrett summarized the transaction. Sub-Committee approved the transaction as requested. Final Action.



## DEPARTMENT OF CHILDREN'S SERVICES

### LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Maury County – 1610 Hatcher Lane, Columbia, TN – Trans. No. 98-01-914 (TH)

Purpose: To provide office and related space for the Department's Community Service Agency operations

Term: January 1, 2002 thru December 31, 2002 (1 yr.)

Proposed Amount: 6,060 Square Feet  
Annual Contract Rent  
Incl. Utility Cost: \$60,600.00 @\$10.00/sf  
Est. Annual Janitorial Cost: \$ 6,666.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$67,266.00 @\$11.10/sf

Current Amount: 6,060 Square Feet  
Annual Contract Rent Incl.  
Utility & Janitorial Cost: \$60,600.00 @\$10.00/sf  
Total Annual Effective Cost: \$60,600.00 @\$10.00/sf

Type: New Lease - Negotiated

FRF Rate: \$13.50 Per Square Foot – Maury County

Lessor: Bill G. Looper, Current Lessor

Comment: The proposed lease will provide temporary office space for local CSA operations pending advertisement for a permanent facility for the Department's Columbia operations. The proposed lease provides that the State will provide its own janitorial services, however, the base rent rate remains the same and includes utilities.

SSC Report: 01-14-02. Charles Garrett summarized the transaction and stated the proposed lease would provide the time necessary to advertise for a long term lease. Staff referred to Sub-Committee with recommendation.

SC Action: 01-22-02. Charles Garrett summarized the transaction and advised that Real Property Management will be advertising within the next 60 days for a long term lease to house both Human Services and Children's Services in Maury County. He stated that space requirements will be for approximately 50,000 square feet with an option to purchase. Sub-Committee approved the lease as presented. Final Action.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Bledsoe County – Lot 1, Rockford Road, Pikeville, TN – Trans. No. 00-10-911 (JS)

Purpose: To provide office and related space for local operations

Term: July 1, 2002 thru June 30, 2012 (10 yrs.)

Proposed Amount: 3,800 Square Feet  
Avg. Annual Contract Rent: \$38,000.04 @\$10.00/sf  
Est. Annual Utility Cost: \$ 5,320.00 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 4,180.00 @\$ 1.10/sf  
Avg. Total Ann. Effective Cost: \$47,500.04 @\$12.50/sf

Current Amount: 2,500 Square Feet  
Annual Contract Rent: \$12,000.00 @\$ 4.80/sf  
Est. Annual Utility Cost: \$ 3,500.00 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 2,750.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$18,250.00 @\$ 7.30/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: \$10.25 Per Square Foot – Bledsoe County

Lessor: Jeffery and Kelly Angel

Comment: The proposed lease provides that 1) the Lessor will construct a 3,800 net rentable square foot office building, including interior tenant improvements, at no additional cost to the State, 2) no cancellation during the first five (5) years of the lease except for cause and/or funding and 180 days notice thereafter and 3) State's Option to Purchase.

SSC Report: 12-10-01. Charles Garrett presented the transaction for review. Staff discussion centered around the effective cost of the new lease and the lack of response to the advertisement. John Swift, Real Estate Specialist, stated that Property Assessment records reflect an increase of approximately 40% in commercial property assessments in Bledsoe County making property

**Department of Human Services – Continued**

extremely expensive. He stated other prospective proposers were unable to locate property due to the extremely high cost. Staff referred to Sub-Committee for discussion.

SSC Report: 01-14-02. Charles presented a summary of the transaction. Staff referred to Sub-Committee for discussion.

SC Action: 01-22-02. Charles Garrett summarized of the transaction and stated that further negotiations resulted in a \$1.00 per square foot reduction in rent and an Option to Purchase. Comptroller Morgan inquired as to the rationale for (10) year lease advertisements. After discussion, Sub-committee approved the transaction as presented. Final Action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Dyer County – 1995 Saint John Avenue, Dyersburg, TN – Trans. No. 01-04-939 (TH)

Purpose: To provide office and related space for local operations of the Departments of Human Services and Children's Services

Term: October 1, 2002 thru September 30, 2012 (10 yrs.)

Proposed Amount: 13,500 Square Feet

Annual Contract Rent:	\$ 78,165.00	@ \$ 5.79/sf
Est. Annual Utility Cost:	\$ 18,900.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	\$ 14,850.00	@ \$ 1.10/sf
Total Annual Effective Cost:	\$111,915.00	@ \$ 8.29/sf

Current Amount: 9,713 Square Feet (2 Leases)

Avg. Annual Contract Rent:	\$47,880.00	@ \$ 4.93/sf
Est. Annual Utility Cost:	\$13,598.20	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	\$10,684.30	@ \$ 1.10/sf
Avg. Total Ann. Effective Cost:	\$72,162.50	@ \$ 7.43/sf

Type: New Lease – Advertisement – Lowest of (7) Proposals from (4) Proposers

FRF Rate: \$10.25 Per Square Foot – Dyer County

Lessor: Lee M. Hastings & Dennis Miller

Comment: The proposed lease provides 1) the Lessor will construct tenant build-out at no additional cost to the State and 2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-14-02. Referred to Sub-committee with recommendation.

SC Action: 01-22-02. Sub-committee approved the transaction as presented. Final Action.

**DEPARTMENT OF FINANCE & ADMINISTRATION**

**LEASE AGREEMENT**

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Shelby County – 3360 South Third, Memphis, TN – Trans. No. 01-07-904 (TH)**

Purpose: To provide office and related space for local operations of the Department of Human Services and the Board of Probation and Parole

Term: February 1, 2002 thru January 31, 2012 (10 yrs.)

Proposed Amount: **43,967 Square Feet**

Annual Contract Rent:	\$274,354.08	@ \$ 6.24/sf
Est. Annual Utility Cost:	\$ 61,553.80	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	\$ 48,363.70	@ \$ 1.10/sf
Total Annual Effective Cost:	\$384,271.58	@ \$8.74/sf

Current Amount: **43,967 Square Feet**

Annual Contract Rent:	\$262,923.00	@ \$ 5.98/sf
Est. Annual Utility Cost:	\$ 61,553.80	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	\$ 48,363.70	@ \$ 1.10/sf
Total Annual Effective Cost:	\$372,840.50	@ \$ 8.48/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: \$17.00 Per Square Foot – Shelby County Suburban

Lessor: Belz Investco, GP – Current Lessor

Comment: The proposed lease provides the Lessor will make interior tenant build-out and repairs/improvements at no additional cost to the State. Further, the proposed lease provides for no cancellation during the first (5) years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-14-02. Referred to Sub-committee with recommendation

SC Action: 01-22-02. Sub-Committee approved the transaction as requested. Final Action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATE CAPITOL, NASHVILLE, TENNESSEE

- 1) At Mr. Fitts' request, the Subcommittee deferred the presentation of the recommended plan in support of a request to be presented to the full Commission for approval of a revision in scope and funding and acknowledgment of the source of funding from \$1,095,000.00 to \$1,875,000.00 (\$780,000.00 increase) of a project for **Security Improvements** at the State Capitol, Legislative Plaza and War Memorial Building, Nashville, Tennessee.

**Estimated Project Cost: \$1,095,000.00**  
*SBC Project No. 529/005-01-99*

## STATE BUILDING COMMISSION

### MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Approved the Minutes of the State Building Commission Executive Sub-committee meeting held on December 17, 2001.

### COMPILATION OF THE 2002 BY-LAWS, POLICY AND PROCEDURES OF THE STATE BUILDING COMMISSION

- 1) Approved recommending to the full Commission compilation of the 2002 By-Laws, Policy and Procedures of the State Building Commission as revised below:

Add the following paragraph E to Item 3.02, *General Stages of Review*:

#### **3.02 GENERAL STAGES OF REVIEW**

- E. First stage approval of a project (sub-paragraph 3.02(A)(1) automatically carries with it, SBC approval of all usual and customary easements, licenses, disposals of utilities, right of entries, and right of ways necessary for the maintenance and support of utilities for the project. Any such action shall be reported to the full Commission at their next regularly scheduled meeting following the execution of the legal documents reflecting the action taken.

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Following approval of the Consent Agenda, the meeting adjourned at 2:50 p.m.

### CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: **Mental Health & Developmental Disabilities – Shelby County**  
Trans.: Disposal by Easement with Right-of-Entry  
Provision: Waiver of Advertisement and Appraisals
- B. Agency: **Department of Agriculture – Hardeman County**  
Trans.: Disposal by Easement with Right-of-Entry  
Provision: Waiver of Advertisement
- C. Agency: **TN Board of Regents – Putnam County**  
Trans.: Acquisition by Gift  
Provision: Waiver of Appraisal
- D. Agency: **TN Wildlife Resource Agency – Fayette County**  
Trans.: Acquisition by Gift  
Provision: Waiver of Appraisal
- E. Agency: **Economic & Community Development – Knox County**  
Trans.: Lease Agreement
- F. Agency: **Department of Children's Services – Rutherford County**  
Trans.: Lease Agreement
- G. Agency: **Department of Children's Services – Wilson County**  
Trans.: Lease Agreement
- H. Agency: **Finance & Administration – Davidson County**  
Trans.: Lease Agreement for Various State Agencies



A.

**DEPARTMENT OF MENTAL HEALTH AND  
DEVELOPMENTAL DISABILITIES**

**LAND ITEM**

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: **Shelby County – 0.793 +/- Acres – Arlington Developmental Center, Arlington, TN – Trans. No. 01-10-002 (DR)**

Purpose: Disposal by Easement for additional overhead electrical distribution to upgrade ADC's electrical service.

Estimated Sale Price: Grant – Serve State Facility

Grantee: Memphis Light, Gas and Water

SSC report: 11-09-01. Larry Kirk, Finance & Administration, recommended deferral of the transaction for a month. Staff concurred.

SSC Report: 01-14-02. Referred to Sub-Committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT with WAIVER of ADVERTISEMENT and APPROVAL of a RIGHT-OF-ENTRY in the following real property as required by TCA 4-15-102 and 12-2-112:

Description: **Hardeman County – 30' x 1,600' Easement on either side of Big Springs Road – Chickasaw State Forest – Trans. No. 01-12-006 (BM)**

Purpose: Disposal by Easement for construction of a power line to a cellular communication tower.

Estimated Sale Price: Pending Appraisal

Grantee: Bolivar Electric Department

Comment: The proposed easement parallels the county road which goes through Chickasaw State Forest. The easement would provide the Division of Forestry with improved communications in fire control operations.

SSC Report: 01-14-02. Referred to Sub-committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.

TENNESSEE BOARD OF REGENTS

C.

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY, with WAIVER of APPRAISAL, and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property:

Description: Putnam County – 30 +/- Acres – Tennessee Technological University – Trans. No. 01-12-005 (DR)

Purpose: Acquisition by Gift for beef and dairy operations of TTU's Shipley Farm

Source of Funding: Gift

Estimated Cost: Gift

Estimated Title  
And Survey Fees: Pending Bid

Owner(s): Tennessee Technological University Development Foundation (TTUDF)

SSC Report: 01-14-02. Referred to Sub-Committee for consent agenda.

SSC Report: 01-14-02. Jerry Preston summarized the transaction. Referred to Sub-committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT with WAIVER of APPRAISAL, required interest in the following real property:

Description: **Fayette County – 346.0 +/- Acres – Trans. No. 01-12-011 (CH)**

Purpose: Acquisition by Gift of property adjoining the WMA for wetland preservation and a wetland habitat for the public to hunt or observe.

Source of Funding: Gift

Estimated Cost: Gift

Estimated Title  
And Survey Fees: Pending Bid

Owner(s): Wolf River Mitigation Bank, LLC

SSC Report: 01-14-02. Referred to Sub-Committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.

DEPARTMENT OF ECONOMIC &  
COMMUNITY DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Knox County – 5401 Kingston Pike, Knoxville, TN – Trans. No. 01-10-917 (JS)

Purpose: To provide office and related space for local operations

Term: April 1, 2002 thru March 31, 2007 (5 yrs.)

Proposed Amount: 4,686 Square Feet  
Annual Contract Rent Including  
Utility & Janitorial Cost: \$55,810.32 @\$11.91/sf  
Total Annual Effective Cost: \$55,810.32 @\$11.91/sf

Current Amount: 4,686 Square Feet  
Annual Contract Rent Including  
Utility & Janitorial Cost: \$55,810.32 @\$11.91/sf  
Total Annual Effective Cost: \$55,810.32 @\$11.91/sf

Type: New Lease - Advertisement – Lowest of (3) Proposals from (2) Proposers

FRF Rate: \$14.00 Per Square Feet - Knox County Suburban

Lessor: Twelve Oaks of Knoxville, LLC – Current Lessor

Comment: The proposed lease provides for no cancellation during the entire term of the lease except for cause and/or funding.

SSC Report: 01-14-02. Referred to Sub-Committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.

DEPARTMENT OF CHILDREN'S SERVICES

F.

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Rutherford County – Jay Hawk Drive, Murfreesboro, TN – Trans. No. 01-04-929 (RS)

Purpose: To provide office and related space for local operations

Term: January 1, 2003 thru December 31, 2007 (5 yrs.)

Proposed Amount: 16,131 Square Feet  
Annual Contract Rent: \$167,900.00 @\$10.41/sf  
Est. Annual Utility Cost: \$ 22,583.40 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 17,744.10 @\$ 1.10/sf  
Total Annual Effective Cost: \$208,227.50 @\$12.91/sf

Current Amount: 14,972 Square Feet – 4 Locations  
Avg. Annual Contract Rent  
Incl. Utility & Janitorial Cost \$182,455.00 @\$12.19/sf  
Avg. Total Ann. Effective Cost: \$182,455.00 @\$12.19/sf

Type: New Lease – Advertisement – Lowest of (6) Proposals from (4) Proposers

FRF Rate: \$13.50 Per Square Foot – Rutherford County

Lessor: MBT Partners, LLC

Comment: The proposed lease provides 1) the Lessor shall construct 16,131 square feet of office and related space at no additional cost to the State and 2) provides for no cancellation during the term of the lease except for cause and/or funding.

SSC Report: 01-14-02. Referred to Sub-committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Wilson County – East High & Hartsville Pike, Lebanon, TN – Trans. No. 01-02-920 (RS)

Purpose: To provide office and related space for local operations

Term: January 1, 2003 thru December 31, 2007 (5 yrs.)

Proposed Amount:	<u>10,200 Square Feet</u>		
	Annual Contract Rent:	\$ 99,144.00	@ \$ 9.72/sf
	Est. Annual Utility Cost:	\$ 14,280.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	\$ 11,220.00	@ \$ 1.10/sf
	Total Annual Effective Cost:	\$124,644.00	@ \$12.22/sf

Current Amount:	<u>4,918 Square Feet – 2 Locations</u>		
	Avg. Annual Contract Rent		
	Incl. Utility & Janitorial Cost:	\$55,349.29	@ \$11.25/sf
	Avg. Total Ann. Effective Cost:	\$55,349.29	@ \$11.25/sf

Type: New Lease – Advertisement – Lowest of (5) Proposals from (5) Proposers

FRF Rate: \$10.25 Per Square Foot – Wilson County

Lessor: William David Marks

Comment: The proposed lease provides that the Lessor will construct 10,200 square feet of office and related space at no additional cost to the State.

SSC Report: 01-14-02. Referred to Sub-Committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 404 James Robertson Parkway, Parkway Towers Building, Nashville, TN – Trans. No. 01-10-905 (EN)

Purpose: To provide office and related space for various State agencies

Term: February 1, 2002 thru January 31, 2007 (5 yrs.)

Proposed Amount: 84,772 Square Feet  
Avg. Annual Contract Rent Incl.  
Utility, Janitorial and  
Tenant Improvement Cost: \$1,133,849.23 @\$13.38/sf  
Avg. Total Ann. Effective Cost: \$1,133,849.23 @\$13.38/sf

Current Amount: 80,990 Square Feet  
Avg. Annual Contract Rent Incl.  
Utility & Janitorial Cost: \$1,195,200.00 @\$14.76/sf  
Avg. Total Ann. Effective Cost? \$1,195,200.00 @\$14.76/sf

Type: New Lease – Advertisement – Lowest of (2) Proposals from (1) Proposer

FRF Rate: \$18.00 Per Square Foot – Davidson County CBD

Lessor: Domain Copper Ridge Associates, Ltd. – Current Lessor

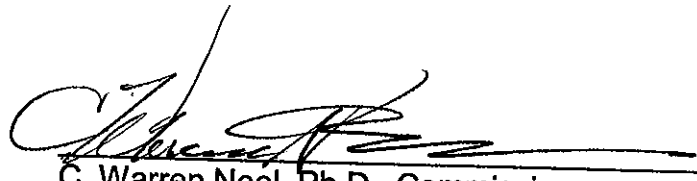
Comment: The proposed lease provides the following:  
1. Lessor shall provide all required renovations, refurbishment improvement and/or construction at no additional cost to the State  
2. Annual rental escalation after the second year of the lease term  
3. No cancellation during the entire term of the lease except for cause and/or funding

SSC Report: 01-14-02. Referred to Sub-Committee for consent agenda.

SC Action: 01-22-02. Approved the request as presented. Final Action.



APPROVED BY:

  
C. Warren Neel, Ph.D., Commissioner  
Department of Finance and Administration